

The #1 Business Tool for the
Vending, Coffee Service &
Foodservice Industry

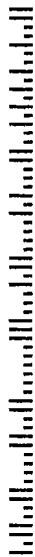
NAMA InTouch

FALL 2010

In This Issue:

- 3 ViewPoint
- 6 Illinois Legislation Reduces Pricing
for McCormick Place Exhibitors
- 12 Velcro Your Message
- 15 5 Basic Networking Rules
for Social Events
- 17 Remembering Ben Ginsberg
- 21 Common Grounds

PRESORTED
STANDARD
U.S. POSTAGE
PAID
Wood Dale, IL
Permit NO. 12



T17 P1*****3-DIGIT 606
MS. HEATHER BAILEY
ATTORNEY
SMITHAMUNDSEN
150 N MICHIGAN AVE STE 3300
CHICAGO IL 60601-7621

NAMA
20 North Wacker Drive, Suite 3500
Chicago IL 60606-3102

Health Care Reform:



How Does It Apply To You & Are You Ready?

by **Heather Bailey**, SmithAmundsen LLC, NAMA Knowledge Source Partner
Call 312-894-3266 or e-mail hbailey@salawus.com & **Rebecca Dobbs**, SmithAmundsen LLC

"It is characteristic of mankind to make as little adjustment as possible in customary ways in the face of new conditions; the process of social change is epitomized in the fact that the first Packard car body delivered to the manufacturer had a whipstock on the dashboard."

Robert Staughton Lynd (1892-1970)
and Helen Merrell Lynd (1896-1982)

After much controversy, President Obama signed into law the Patient Protection and Affordable Care Act (HR 3590, 3/23/10) and the Health Care and Education Reconciliation Act of 2010 (HR 4872, 3/30/10) - the most significant health care reform legislation since the creation of the Medicare program in the 1960s. Generally, the majority of the employer mandates within Health Care Reform become effective January 1, 2014; however, there are some provisions that have an earlier effective date that you should be aware of and may need to be acting upon now. Be forewarned: the law is

continued on page 8

The **Best Education** for The Money is in Vegas!

If you want the best Return on Investment for your money, you need to attend CoffeeShow 2010 in Las Vegas.

We will feature three educational tracks that have been designed so everyone on your staff gets the most out of attending CoffeeShow 2010. We strongly encourage operators to bring your key staff members to take advantage of as many sessions as possible. The three education tracks --

NAMA CoffeeShow
2010
EDUCATION • SHOWCASE • NETWORKING
OCTOBER 20-22 • BALLY'S • LAS VEGAS

continued on page 22

by **Heather Bailey**, Smith Amundsen LLC



very confusing with many ambiguities. The hope is that the relevant government agencies will be prompt in issuing detailed regulations that guide us for implementing and following this reform.

If you offered a health insurance plan to your employees as of March 23, 2010, your plan may be grandfathered in. The bad news is that having a grandfathered plan is not a “free pass” from the requirements of Health Care Reform. Grandfathered status means only select benefit requirements apply to your plan, and implementation of other requirements may be deferred so long as you do not alter the plan. This means you cannot make certain kinds of changes to the following: insurance providers, coverage options, deductibles, co-pays, etc.

For those employers who have 50+ employees and do not currently offer health coverage, effective 2014, you are not required to offer coverage, but where you do not and you have at least one FTE (full-time equivalent) employee receiving a subsidy and he purchases health coverage through a State sponsored exchange, you will be required to pay \$2,000 per FTE annually (starting with the 31st employee). For those employers who have 50+ employees and do currently offer health coverage, this penalty can go up to \$3,000 per FTE where the coverage being offered is considered “unaffordable.”

In order to entice employers who have 50 or fewer employees to continue offering health care coverage, the government has instituted tax credits beginning in 2010 of up to 35% of the operators’ premiums and up to 50% in 2014 (with various limitations). The deduction is determined based upon a sliding scale dependent on both the number of total employees and their average wages.



Six Steps Your Company Should Take on Health Care Reform

Some Quick Facts:

- Plan years beginning on or after September 23, 2010 (no matter how many employees you have), if you offer dependent coverage you are required to allow uninsured children to remain on their parents' health insurance up until age 26 (even if they are married and/or are not in school). Those plans maintaining grandfather status are not required to offer coverage to dependents that otherwise have the opportunity to enroll in a group health plan.
- Beginning with the 2011 Form W-2, operators will be required to disclose the total cost to the operator for the employee's medical coverage (including dental and vision coverage). Moreover, there are requirements on providing nutritional information primarily on "chain" restaurants and in vending machines beginning in 2011.
- Also effective 2011, participants must be provided 60-day advance notification of changes to their plan. This 60-day advance notification requirement applies to distribution of new Summary Plan Descriptions (SPDs).
- Effective March, 23, 2012, participants must be provided with summaries of the plan and these will have to adhere to certain specifications that will likely be more detailed than the traditional SPDs.
- Beginning in 2014, an operator with 50+ employees cannot have a waiting period for employee enrollment that exceeds 90 days.
- By 2014, States are to set up Small Business Health Options Programs allowing small businesses (100 or less employees) to create buying pools to purchase health plans. (By 2017, large employers will be able to access the Exchange).

- Operators with 200 or more employees (who sponsor a group health plan) must automatically enroll all new employees in health care coverage (with the ability to opt out). However, no guidance has been given as to when this rule becomes effective. In addition, the legislation does not specifically state an effective date for this provision. Some are interpreting the effective date to be March 23, 2010. While others are interpreting this provision to be effective in 2014 along with the other employer mandates. Ultimately, employers must await further regulations for clarification on how to implement automatic enrollment.

What should you be doing now?

- Prepare a detailed financial analysis of how the Act affects your operation by reviewing your current plans and workforce demographics to determine the estimated financial impact on your organization;
- Revise SPDs and related plan documents to communicate changes to the plan to the participants, such as the dependant age increase to 26 years and the reduction of the waiting period to less than 90-days; and
- Develop a long term health care strategy for your operation, such as analyzing the risks and penalties involved with compliance.

This article is meant to give you a taste of the enactment of the new health care reform and what you can expect. This article does not and cannot go through all of the intricacies that come with this reform. Consequently, we urge you to seek guidance immediately with either your current employment/benefits counsel or feel free to contact directly the NAMA Knowledge Source authors of this article for guidance.

As the federal health care law is put into place, NAMA members should consider concepts to minimize the impact on your business.

NAMA recommendation number 1: Remain an active member of NAMA. Your bi-partisan NAMA team is working to minimize this new law on your company's bottom line. The smart vending operator will remain a NAMA member so that we can keep you informed of changes and keep fighting to protect your company.

NAMA recommendation number 2: Be careful when you grow beyond 50 employees. If you have more than 50 employees, you face new health care regulations, potential fines and changes. For example, if you have 51 employees and just one on your team uses a state insurance exchange, you will face a penalty.

NAMA recommendation number 3: If your health plan is grandfathered, don't make changes. Group health plans which were in existence on March 23, 2010, may be "grandfathered" and the new law doesn't impact that insurance. However, if your grandfathered health plan has made "significant changes" such as increases to deductibles or co-payment, your plan may have lost its grandfathered status. If this has happened, then the new regulations, penalties and changes will apply.

NAMA recommendation number 4: Implement a wellness program at your company, and help accounts implement a wellness program for their employees. Individual behavior is the single greatest determinant of health status. Companies that want to lower health care insurance rates will implement wellness programs, tobacco cessation programs, and exercise incentives. NAMA's Fit Pick and Balanced for Life should be used at your company and with all accounts.

NAMA recommendation number 5: Talk to your insurance agent and accountant before making any changes to your plans. There are some positive items in the health care law. But the rules are complicated, have many exemptions and may take an insurance or tax expert to translate.

NAMA recommendation number 6: Attend the NAMA Coffee Show. NAMA has arranged for an insurance industry expert to present the latest insights on health care's impact on your company. Attending the October 20-22 event in Las Vegas is a very smart business move.